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09/887,935	06/22/2001	Ralph C. Wilczek	Wilmington-1	7695

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EXAMINER

HAVAN, THU THAO

ART UNIT

PAPER NUMBER

3691

DATE MAILED: 10/24/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/887,935

Applicant(s)

WILECZEK, RALPH C.

Examiner

Thu Thao Havan

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 22 June 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-7 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-7 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 16 July 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                  | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **Detailed Action**

#### ***Drawings***

The Examiner accepts the drawings filed on July 16, 2001.

#### ***Specification***

Applicant is reminded of the proper content of an abstract of the disclosure.

A patent abstract is a concise statement of the technical disclosure of the patent and should include that which is new in the art to which the invention pertains. If the patent is of a basic nature, the entire technical disclosure may be new in the art, and the abstract should be directed to the entire disclosure. If the patent is in the nature of an improvement in an old apparatus, process, product, or composition, the abstract should include the technical disclosure of the improvement. In certain patents, particularly those for compounds and compositions, wherein the process for making and/or the use thereof are not obvious, the abstract should set forth a process for making and/or use thereof. If the new technical disclosure involves modifications or alternatives, the abstract should mention by way of example the preferred modification or alternative.

The abstract should not refer to purported merits or speculative applications of the invention and should not compare the invention with the prior art.

Where applicable, the abstract should include the following:

- (1) if a machine or apparatus, its organization and operation;
- (2) if an article, its method of making;
- (3) if a chemical compound, its identity and use;
- (4) if a mixture, its ingredients;
- (5) if a process, the steps.

Extensive mechanical and design details of apparatus should not be given.

### **Claim Rejections - 35 USC § 103**

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

Art Unit: 3624

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims **1-4** and **6-7** are rejected under 35 U.S.C. 103(a) as being unpatentable over Maggioncalda et al. (US 2002/0138386) in view of Frank et al. (US 2002/0013754).

Re claim **1**, Maggioncalda teaches a process for comparing income, principle and expenses of an existing {portfolio...on the side note, only for explanation purpose, Examiner is replacing portfolio for the word trust as originally claimed to better explain the reasoning for rejection of the claims. Trust will be explained below} and a proposed {portfolio} each having assets (para.0076, 0073, 0137, 0126; fig. 9; Maggioncalda teaches a projected portfolio corresponds to the proposed portfolio and the existing portfolio corresponding to current portfolio in relation to income, expense ratio, and etc.), the process comprising:

a. evaluating and classifying each asset in the existing {portfolio}, and determining the allocation of assets (para. 0018 and 0079; figs. 9, 12a, and 17a-17b; Maggioncalda discloses a graphical indication of a current recommended allocation of wealth among an available set of financial products is provided to the user. He evaluates the trend and classifies the assets according to the current optimal portfolio allocation based upon the current state of the decision variables);

b. determining the type of the existing {portfolio} (para. 0245; fig.10; Maggioncalda teaches a set of financial products such as mutual funds as a type of current portfolio);

c. selecting a period for which the comparison is desired (para. 0255, 0258, and 0259; fig. 12a; Maggioncalda discloses possible values of a portfolio of financial products at a particular time);

d. determining the tax rates of the income beneficiaries (para. 0073, 0157, and 0160; Maggioncalda estimates the tax impact for a particular user with reference to that particular user's income tax rates, capital gains rates, and available financial products);

e. determining or identifying the current {*portfolio*} fees (para. 0155 and 0159; Maggioncalda discloses current fees when he disclose paying load fees);

f. selecting a constant rate of income and appreciate for each asset class (para. 0137, 0079, 0081, 0245; Maggioncalda discloses portfolio optimization according to he user's gross income and other investment assets);

g. selecting among constant rates, real rates and real rates in fabricated order for purposes of comparison (figs. 9-12b and 14; para. 0291; Maggioncalda selects fabricated order of rates when he permits a user to adjust the rate in risk, savings, and retirement);

h. selecting a proposed {*portfolio*} (figs. 9 and 14; Maggioncalda discloses the projected portfolio. As illustrated in figures 9 and 14, Maggioncalda's system has to select the items in order to project the portfolio);

i. selecting each asset value, asset class and allocation of assets in the proposed {*portfolio*} (para. 0016 and 0236; figs. 9 and 14; Maggioncalda discloses a user may select to have displayed one or more output values/assets that are relevant to satisfying his/her objective function);

j. selecting proposed *{portfolio}* fees (para. 0155 and 0159; figs. 9 and 14; Maggioncalda discloses projected fees when he disclose paying load fees);

k. selecting a payer of the proposed *{portfolio}*'s capital gains (para. 0072-0073, 0155, 0157, 0161-0162; figs. 7 and 9; Maggioncalda discloses the user's component of returns attributable to capital gains should be taxed at an appropriate capital gains tax rate depending upon the holding period);

l. selecting payout rate of the proposed *{portfolio}* (fig. 14; Maggioncalda discloses projected payout rate in element 1450 of figure 14);

m. selecting an averaging period for the proposed *{portfolio}* (para. 0212; figs. 12a-12b; Maggioncalda calculates successive annual moments for a twenty (20) year horizon and computes the arithmetic average of these moments);

n. calculating gains or losses of each asset (para. 0159, 0223, 0235, 0275-0280; figs. 9 and 14; Maggioncalda discloses a large gain/loss or a short-term gain/loss);

o. determining the total current year payout as a percent (fig. 14; Maggioncalda discloses the projected payout in dollars and percentage);

p. applying the payout % to the prior year-end balance to determine what the current year payout should be (para. 0137, 0261, and 0287; figs. 12a-12b, 9, and 14; Maggioncalda discloses the percentage of wealth allocated to that particular financial product according to the current recommendation);

q. selecting a basis for comparison among possible outcomes of steps (g) and (l), holding other factors constant (fig. 9; Maggioncalda illustrates the comparison among

outcomes by permitting a user to select different factor(s) such as risk, savings, and/or retirement); and

r. generating a visual comparison (figs. 12a-12b, 14-15, and 19a-19b; Maggioncalda graphically illustrates the portfolio).

However, Maggioncalda does not explicitly teach a trust. Nevertheless, both Maggioncalda and Frank teach managing a portfolio. Maggioncalda teaches current and projected portfolio while Frank discloses a trust is part of a portfolio (para. 0078). Frank specifically discloses financial optimization in that a trust is part of the overall family portfolio (para. 0078; abstract). Thus, it would have been obvious to one of ordinary skill in the art to implement a trust as part of a financial portfolio when optimizing financial planning as discloses in Frank.

Re claim 2, Maggioncalda teaches the rate selected in step (g) is arbitrary (para. 0246 and 0248; figs. 9 and 10b-11; Maggioncalda discloses arbitrary rate when he discloses the rate slider bar where the user arbitrary choices the rate).

Re claim 3, Maggioncalda teaches the rate selected in step (g) is historical (para. 0064, 0083.; fig. 6; Maggioncalda discloses the three exogenous state variables may be fitted with autoregressive time series models to match historical moments of the corresponding observed economic variables).

Re claim 4, Maggioncalda teaches the rates selected in step (g) are historical, but structured in an arbitrary pattern (para. 0107 and 0123; Maggioncalda discloses the estimation from historical returns data or may be estimated from projected returns

generated by a pricing kernel model. Since Maggioncalda discloses the rates are from historical data or projected returns then he is disclosing arbitrary pattern).

Re claim 6, Maggioncalda teaches selecting on the basis of the visual comparison between the existing and proposed {portfolio} (figs. 8-9, 12a-12b, and 14; Maggioncalda graphically illustrates current optimal portfolio versus projected optimal portfolio).

Re claim 7, Maggioncalda teaches proposed {portfolio} is selected and the process further comprises converting to the proposed {portfolio} (para. 0076 and 0170; fig. 16; Maggioncalda converts to projected portfolio when he depicts the recommended optimal allocation for the portfolio).

Claim 5 is rejected under 35 U.S.C. 103(a) as being unpatentable over Maggioncalda et al. (US 2002/0138386) in view of Frank et al. (US 2002/0013754) and further in view of the background of present pending application 09/887,938 by Wilezek.

Re claim 5, Maggioncalda and Frank do not explicitly teach a Total Return Unitrust. On the other hand, Wilezek discloses a Total Return Unitrust (pag 1, paragraph 4). Wilezek discloses in the background that recent legislation such as the Delaware and Missouri Total Return Unitrust statues permits conversion of an existing irrevocable trust to a Total Return Unitrust. This allows a trustee to invest for total return while eliminating the conflicts of interest between the current income needs of the life beneficiary and the future distribution needs of the remainder beneficiary. Thus, it would have been obvious to one of ordinary skill in the art to implement a Total Return Unitrust as part of a financial portfolio when optimizing financial planning for a trust.



### **Conclusion**

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Wallman, US 6,601,044

Jones et al., US 6,021,397

Makivic, US 6,061,662

Edesess, US 5,884,287

Moran et al., US 6,430,542

Hagan, US 6,415,267

Edelman, US 6,085,174

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Thu Thao Havan whose telephone number is (571) 272-8111. The examiner can normally be reached on Monday-Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct-uspto.gov/>. Should you have questions on access to the

Application/Control Number: 09/887,935

Page 9

Art Unit: 3624

Private PAIR system, contact the Electronic Business Center (EBC) at (866) 217-9197 (toll-free).



Thu Thao Havan

Art Unit: 3624

9/11/2006